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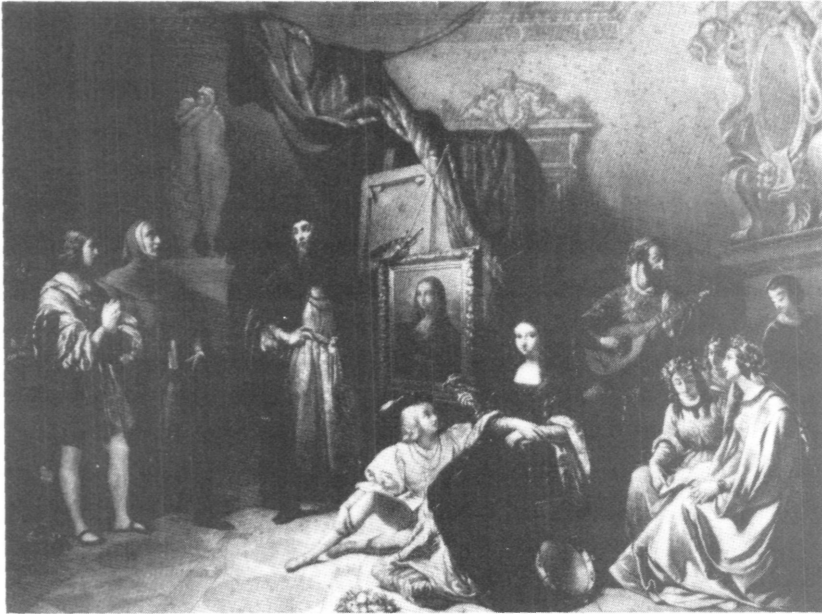
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ANOTHER REPRESENTATION OF PACIOLI

by

Alfred R. Roberts

Georgia State University

In the Fall 1986 issue of *The Accounting Historians Journal*, an article by Ernest Stevelinck depicts the many faces of Luca Pacioli. Of the sixteen representations presented, only three were painted during the time when the artist might have known or seen Pacioli. The others are impressions of what he might or "should" have looked like.

Robert Haulotte, then vice-president of the Belgian Society of Expert Accountants, wrote a short article in 1984¹ about his

discovery of another representation of Pacioli. The painting, entitled "Leonard Peignant La Joconde," was recently "rediscovered" by me. It was painted by Aimée Brune-Pagès in 1845, and an engraving of the work may be seen in the Bibliothèque Nationale de Paris. A reproduction of the painting is in Roy McMullen's book entitled *Mona Lisa: The Picture and The Myth*.²

continued on page 27

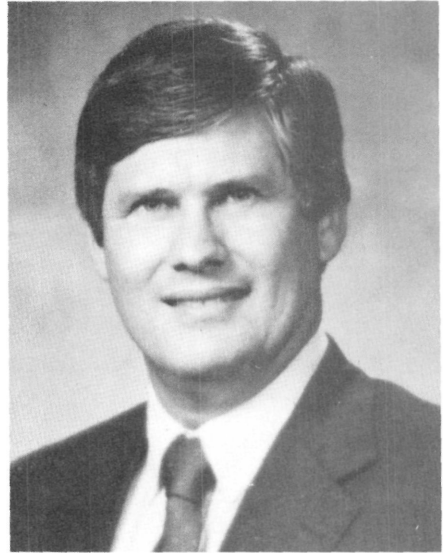
MESSAGE FROM THE PRESIDENT

Serving as the president of the Academy of Accounting Historians is a distinct honor. It is also a great deal of work. Since the Academy has no paid employees, all work is performed by the treasurer, secretary, president, and other volunteers. In addition to serving as the titular head of the organization, the president organizes and coordinates the work of all other officers and committees.

The Academy's annual budget is about \$30,000, and it takes a great deal of work to use this money to provide the most benefits to members. The Academy uses this money to publish two issues of *The Accounting Historians Journal* annually, two issues of *The Accounting Historians Notebook*, several working papers, and one or more monographs. The Academy also sponsors several history sessions at the AAA annual meeting. This year, the Academy is co-sponsoring the 5th World Congress of Accounting Historians in Sydney, Australia. Another meeting is tentatively being planned to dedicate the Academy's Tax History Research Center in Oxford, Mississippi. Given all of this activity, the handful of volunteer officers is kept rather busy.

Additional volunteers are always welcome. If any member would like to serve on a committee, let me know. I will be more than happy to put you to work.

Let me encourage all of you to attend the 5th World Congress meetings at the University of Sydney. The previous World Congresses have been the most inspirational and motivational conferences I have ever attended. If the Sydney Congress is anything like the previous ones, attendees will literally find themselves reborn during the event. The speakers include the most distinguished accounting historians



Dale L. Flesher

in the world. Even the University of Sydney's own professor emeritus, Raymond J. Chambers, has volunteered to come out of retirement and speak at a plenary session. The Congress promises to be *the* accounting event of this half of the decade. Don't miss it.

THE ACCOUNTING HISTORIANS NOTEBOOK

The Academy of Accounting Historians
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GUESS WHO CONTEST NUMBER 11

Contest Number 10 was rather difficult. Despite several entries, only two members correctly identified the handsome young gentleman in the contest as 1987 Academy president, Richard Vangermeersch of the University of Rhode Island. For those who wish to observe how gracefully Vangermeersch has aged, you can find a modern photo of him on a page preceding the Guess Who Contest in the last issue.

The winning entry again came from Dr. Terry Sheldahl of Savannah State College. Although he has not always been the first correct entry, Sheldahl has correctly identified the individual in nine of the first ten contests. He certainly knows his accounting history and historians.

Now, on to Contest Number 11. The picture in this issue is of an American member of the Academy of Accounting Historians. The young individual in the picture has a book and several articles on the subject of accounting history. The person in the picture has served as a member of the Academy's Board of Trustees. The photo was taken during the 1950's.

If you are the first to send in the correct identification, you will receive a valuable prize. The prize is a copy of the Academy's Monograph No. 4, entitled *Selected Papers from the Charles Waldo Haskins Accounting History Seminars*. This monograph normally sells for \$15. The prizes for this contest have certainly improved since Contest Number one. Robert Morgan of East Tennessee State University recently reminded me that he had been the winner of that first contest and that he still had his prize, a cotton boll which was billed as a genuine souvenir of Mississippi. For those contest winners who already have Monograph No. 4, I might be able to find a cotton boll as a substitute prize.

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Guess Who?

As in past contests, there will actually be two prizes awarded—one for the first correct entry from North America and one for the first correct entry postmarked outside of North America. This policy allows for the delay in the mail service of foreign members. Officers and trustees of the Academy are encouraged to participate, but are not eligible for prizes. Put on your thinking caps and send your entry to Dale L. Flesher at the editorial address.

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MANUSCRIPTS AND SHAGGY DOG STORIES

Anyone wishing to submit article manuscripts, short notes, cartoons, shaggy dog stories, letters to the editor, or other filler to THE ACCOUNTING HISTORIANS NOTEBOOK should send the material to the editor, Dale L. Flesher, School of Accountancy, University of Mississippi, University, MS 38677

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BALDUIN PENNDORF: ACCOUNTING HISTORIAN (1873-1941)

by
Ernest Stevelinck
Expert comptable, Belgium
and
O. Finley Graves
University of Mississippi

Groitsch is a small industrial town in Saxony situated in the District of Leipzig near the Elster. For the most part one would have encountered cobblers, box makers, and locksmiths there in the last century. It was in Groitsch, with its five thousand inhabitants, that the German accounting historian Balduin Penndorf was born on 27 November 1873.

Penndorf attended normal school at Bornä, another small industrial town in Saxony situated on the Wiehra, where he obtained a teacher's certificate. It was in this capacity that he taught for some time, but opportunity presented itself with the opening in Leipzig of the first college of business in Germany. The industrial and commercial revolution at the close of the nineteenth century necessitated a considerable expansion of these schools. Nevertheless, Leipzig was privileged to have the only college of business in the country for some time. Penndorf matriculated at the school and completed the courses that were offered there. One of his classmates at the college was Eugen Schmalenbach, whose name is universally known in the world of accountancy.

In 1902, when he was twenty-nine, Penndorf successfully completed the examination necessary to become a lecturer in commerce. He then became headmaster of the College of Commerce in Leipzig. His headmastership, however,



Balduin Penndorf

did not prevent him from continuing his studies at the Universities of Leipzig and Tübingen, and in 1906 he received his doctorate in political science. Searching through the archives of towns throughout Saxony, Penndorf assembled a voluminous amount of material that served him for the rest of his life. Initially, he was interested in the organization of the various trades in the Kingdom of Saxony. That topic became the subject of his doctoral dissertation, which was published in 1907 as *The Guild System in the Kingdom of Saxony Since the Introduction of Freedom of Trade Choice* (*Das Innungswesen im Königreich Sachsen seit Einführung der Gewerbefreiheit*, Leipzig: T. Thomas).

In 1908 he completed "Commercial Correspondence as an Academic Subject in the Middle Ages" (Kaufmännische Korrespondenz als Unterrichtsgegenstand im Mittelalter"), which was followed in 1909 by "The Historical Development of the Form of the Business Letter" ("Historische Entwicklung des kaufmännischen Briefstils"). In 1911 he undertook a study of the education and position of the Hanseatic clerk¹ ("Ausbildung und Stellung des Handlungsgehilfen in der Hansa"). The following year he completed a similar work on the clerk in southern Germany.

Each of these studies familiarized him with the history of accountancy, a subject that had already been treated to some extent by others. (Earlier German-speaking accounting historians included Jaeger, Sieveking, and Kheil; earlier Italian-speaking ones, Brambilla, Rigobon, Vianello, Bariola, and Alfieri.) For his part, Penndorf decided to publish a history of bookkeeping in Germany. The study appeared in 1913 with a Gloeckner imprint (*Die Geschichte der Buchhaltung in Deutschland*, Leipzig: G.A. Gloeckner) and was an immediate success. This well documented and well written study established his fame as an accounting historian.

His love for accounting history, however, did not prevent him from keeping abreast of current developments in accounting. In 1922 Penndorf was named Professor at the Leipzig College of Commerce where he had served as a lecturer for a number of years and where he taught industrial economics and auditing. Indeed, the year 1924 saw the publication of a very respectable work on cost accounting entitled *Factory Accounting and Its Relationship to Cost Determination and Statistics* (*Fabrikbuchhaltung und ihr Zusammenhang mit Kalkulation und Statistik*, Berlin: Spaeth und Linde). Yet

accounting history remained his favorite research area until his death. Certainly a large number of his articles on the subject appeared in the professional journals. In addition, he very effectively performed the functions of auditor and public accountant. This threefold activity of practitioner, theoretician, and historian is symbolic. It demonstrates that history, teaching, and practice are not only quite compatible but contribute to the advancement of each other.

Penndorf's accomplishments did not go unrecognized during his lifetime. In 1931 Schmalenbach devoted a eulogistic article to him in the *Zeitschrift für handelswissenschaftliche Forschung*, and in 1933 a laudatory notice on the occasion of his sixtieth birthday appeared in the *Zeitschrift für Betriebswirtschaft*. The same year Penndorf published the magnum opus of his career: a translation with commentary of Luca Pacioli's work under the title *Italian Bookkeeping in the Fourteenth and Fifteenth Centuries and Pacioli's Life and Work* (*Die italienische Buchhaltung im 14. und 15. Jahrhundert and Paciolis Leben und Werk*, Stuttgart: C.E. Poeschel). To be sure, Kheil had already undertaken such a translation, but he had done so too hastily. (Kheil had rushed to publish his translation in 1894 on the four hundredth anniversary of the appearance of the first edition of the *Summa*.) Penndorf, on the other hand, executed his translation in a masterly fashion.

Shortly before the outbreak of World War II, Penndorf retired. He died in Leipzig on 30 April 1941 at 67 years of age. He was not, however, soon forgotten. In 1950 Löffelholz devoted another eulogistic article to him in the *Zeitschrift für Betriebswirtschaft*, in which he also insisted on the historical and professional importance of *The History of Bookkeeping in Germany*. He has also been includ-

ed in the *Hanewörterbuch der Betriebswirtschaft* (Lexicon of accounting), which accords an entire page to his life and work. It describes him in particular as "an historian of the science of accountancy who clarified—far into the past—the development of commercial accounting." And his work endures. As a new generation of historians meets with the great difficulty of obtaining his two historical treatises on accounting, one can only wish to see them reprinted.

Unfortunately, there remains nothing of the great quantity of source material that Balduin Penndorf assembled. In December 1943 a bomb struck his home in Leipzig, destroying his valuable library and all the original documents he had gathered during his lifetime. The fire spared nothing.

The accompanying photograph of Penndorf was taken when he was Rector of the Leipzig College of Commerce (1926 to 1928). It was provided through an intermediary by one of his sons who now resides in the United States.

NOTES

¹*The Hanse or Hanseatic League consisted of a confederacy of merchants from various free northern Germanic towns who traded abroad. The League formed in the late 1200s and flourished through the Middle Ages.*

CALL FOR HOURGLASS NOMINATIONS

Each year, the Academy presents the Hourglass Award to an individual who has made an outstanding contribution to accounting history literature. The term "literature" is broadly interpreted. Usually this award has gone to the author or editor of a book (or books) on accounting history, but some awards have been for a series of articles or for video histories. The president of the Academy makes the award annually at the business meeting in August. Anyone who would like to make a nomination for the award should send their suggestion immediately to Dale Flesher, School of Accountancy, University of Mississippi, University, MS 38677 USA.

Previous winners of the award which began in 1973 have been: Steve Zeff (Rice University), Michael Chatfield (California State-Hayward), Hanns-Martin Schoenfeld (Illinois), Osamu Kojima (Japan), Basil Yamey (London), A. Van Severter (California), David A. R. Forrester (Strathclyde), Murray Wells (Sydney), Gary Previts (Case Western Reserve), Barbara Merino (North Texas State), H. Thomas Johnson (Portland State), Williard Stone (Florida), Richard P. Brief (NYU), Esteban Hernandez Esteve (Spain), H. Edgar Jones (England), Leonard Spacek (Arthur Andersen & Co.), and Ernest Stevelinck (Belgium).

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HATFIELD'S

"HOUND DOG"

Part II

by
Richard Vangermeersch
University of Rhode Island

There are people and people ABOUND;
That treat the accountant like a HOUND;
With an accountant they would never be FOUND;
When they see one, away they BOUND;
But, Wait, the accountant has feet on the GROUND;
And his thinking is Really, Really SOUND;
He sprang from PACIOLO, a thinker RENOWNED;
He helps business more, Pound for # Pound.

Improve your self-image, be PROUD;
Proclaim your worth out LOUD;
Do not lower your head BOWED;
Or by pseudo-sophisticates be COWED.

Accountants do not know their PAST;
Everything we do has to be quick and FAST;
Many times the sail goes up before the MAST;
We must learn to tie the line before we CAST.

How many of you have ever read an accounting BOOK;
Most times a recipe makes better a COOK;
So let us search in every corner and NOOK;
And pull down some classics with a book HOOK.

You've heard of WALTER, but not, DR SCOTT;
When it comes to FAIRNESS, he is no TOT;
As you saw, Lev has to learn a LOT;
For he did reference Scott NOT.

MacNeal said accounting should be TRUE;
So many accountants wished he would turn BLUE;
But MacNeal had some fables he KNEW;
Let accountants in their traditional stupidity STEW.

Arthur Andersen and Spacek want to be FAIR;
To that goal they strive to get NEAR;
Their strength lies that about truth they doth CARE;
To be different, yes, they do that DARE.

Wells and Thomas write about costs to ALLOCATE;
Church taught us DL \$ and HRS to HATE;
If one accounting problem does WEIGHT;
Cost allocation is a problem first RATE.

Heckert told us how to control costs to DISTRIBUTE;
Maybe you thought some of his methods too CUTE;
But his book, the leader, is hard to REFUTE;
Why, oh why, have accountants been so MUTE.

Can we look at the cost of a woman and a MAN;
Others said no; Flamholtz said We CAN;
Many firms will people-training BAN;
Unless we create an asset cost for JAN and DAN.

Crime at the bottom; *CRIME AT THE TOP*;
Assets and business and other goodies people LOP;
From a desk top computer to a dirty MOP;
Accountants must think so to stop assets from
hoppity-HOP.

Ijiri has, like Darth Vader, developed
the FORCE;
Maybe some believe he has put the cart before
the HORSE;
But perhaps he has an idea most will ENDORSE;
Double will be replaced by triple-entry of COURSE.

Leonard and GAO have developed the
management AUDIT;
Mautz and Newman the Audit Committee KIT;
Solomons has developed divisionalization
as his holy WRIT;
Heath desires liquidity in accounting to be a HIT;
Hopwood and organizational thought are brightly LIT;
Nobes shows us that the world is in our MITT;
Johnson and Kaplan chew-up conventional wisdom
bit by BIT;
All these writers have plenty of sting and WIT.

Be therefore not afraid in accounting to READ;
Convince yourself and then tell others the NEED;
It is up to you to all accountants LEAD;
Or else our field will go to SEED.

CONFUCIUS AND ACCOUNTING

by

Guo Daoyang

Zhongnan University of Finance and Economics

Wuhah, China

Editor's Note: Professor Guo has written many vignettes in a special column for the Chinese journal *Finance and Accounting*. This is one of them translated by Du Jianjun, a graduate student in the People's University of China in Beijing. Lucey C. Lee of Rutgers and Richard Vangermeersch of The University of Rhode Island helped in the translation process.

Confucius (551 B.C.-479 B.C.) was the honorific name given by posterity to the Chinese scholar named Qiu (Zhongni). This famous scholar has been known, not only in China but by the entire world, from ancient days to the present. It is said that "Confucius rose in the East just as Socrates emerged in the West."

The ancestors of this old master were aristocrats from the state of Song in the Zhou Dynasty, which extended from 1000 B.C.-221 B.C. During disturbances caused by civil strife, they wandered about and finally resettled in the state of Lu, which was in the Qunu County of Shandong province. When Confucius was born, his family was in stricken and humble condition and had declined from the status of nobility. His father, Shuling He (Con He) was a warrior of the state of Lu. This is evidence that the once honorable and aristocratic family had stepped down to an ordinary warrior rank. While Confucius was still a young boy, his father died. His widowed mother brought him up in hardship.

Confucius had to leave his family to seek a livelihood at a young age. As luck would have it, this great sage did account-

ing and became a forefather of the Chinese accounting profession almost as soon as he started his working career. At that time Jishi, a great aristocrat, was in charge of the state of Lu. Under Jishi, Confucius was a front-line official responsible for stores accounting—a relatively low ranking position. He directed a small staff and he, himself, had to keep the "accounts." The money and food that he earned were very little and only enough to support his household.

Accounting work at that time was much simpler than today but Confucius treated it seriously. He kept watch everyday in the storehouse, did calculations, made entries, and supervised goods coming in and out of the storeroom. He patiently distinguished transactions of receipts and payments, and recorded entries on bamboo slips. Every "account" was clear and accurate. Although Confucius was gentle and slow, his accounting work was much praised.

Confucius was adept at the planning function. As he said, although he was only fifteen years old, he was "so immersed in his work as to forget his meals and so happy about his achievements as to forget his worries." No matter how difficult the problems were, he made a firm determination to examine the details. His attitude toward stores accounting was one of constant reflection. Day in and day out, Confucius continually pondered upon the question, "What is the key point of accounting?" Long after this diligent contemplation, truth was finally found. He said once in sincerity and in earnest "Ac-

counts must be recorded correctly and accurately." These words are very simple; however, their meaning is deep and their influence has been great. These words were recorded later by his disciples and handed down from generation to generation. They are the most famous words about early accounting in China.

Confucius, all throughout his life, put "etiquette and rites" above all things. He advised people not to look at, not to listen to, and not to say anything which did not correspond to "etiquette and rites." Accounting, he thought, should also be kept within the bounds of "etiquette and rites." Every transaction must be in line with the rules. What would be received should be in the correct amounts; anything less or more than this standard must not be accepted. What would be used should neither be less, which might violate the rites, nor be more, which might go against financial regulations and cause waste. Confucius' view, in a few succinct words, was that all things should be moderate, appropriate, and not overdone. This is the chief meaning of "Accounts must be recorded correctly and accurately."

Confucius paid much attention to accurate calculations and correct accounting transactions. How much food that was in the balance of the "account book" must be validated by the quantity remaining in the storehouse; how many oxen and horses were taken away must be reflected as a decrease of oxen and horses in the "account book." This is another meaning of "Accounts must be recorded correctly and accurately."

Confucius later became a "conductor of field," who was a front-line official in charge of grazing and raising oxen and sheep. He performed the work carefully and seriously and completed it satisfactorily.

In the state of Lu, Confucius was ap-

pointed "Shikong" — an official responsible for field and civilian affairs. This position was related to the financial and economics affairs of the state and a much higher ranking position than his previous jobs. Being "Shikong," he derived some principles to control the national economy, which laid the foundation for his later travels, in which he told his ideas to many other states.

Confucius spent thirty years in journeys about China and met with 72 feudal lords. Although he did not accomplish very much, many lords did ask him for advice. For instance, one day Lord Jing (?-490 B.C.) of the state of Qi asked Confucius how to administer a nation. "Government must be economical," was Confucius' answer. Even though Lord Jing was not completely clear about what that meant, he knew these words were significant and nodded yes.

On the aspect of economy and thrift, Confucius was for moderation. On the one hand, he scolded Master Guan — one of his students — for his actions not in keeping with Confucius' words, for superficial cleverness, and for living in luxury; on the other hand, he reprimanded Master Yan — another one of his students — for Yan's innate stinginess and lack of respect in his offering of small pigs in a memorial ceremony for his ancestors and of his wearing of a thirty-year-old piece of oily leather cloth, which Confucius thought was a stain on an official's reputation. It is clear that Confucius' thriftiness was different from that of Masters Guan and Yan and took the middle road. In summation, Confucius' ideal of handling receipts and payments was to receive properly, use properly, and calculate properly in order to observe "etiquette and rites" — to honor the Lords, to control finance, and to have, thusly, political power forever.

Confucius was the founder of the Con-

countant and had personal experiences of accounting work, he never looked down upon accounting or accountants. He rather made this appropriate comment, "Accounts must be recorded correctly and accurately." Nevertheless, after his death, many of his followers and some successors of his thought had conflicting viewpoints with their Old Master. They drove accounting into oblivion, rebuked it as a "Nothing," and made a lot of strange and querulous arguments about it. This obviously reflected their ignorance of accounting. More detrimentally, these thoughts and arguments, like a contagious disease, have infected generations even until now.

Confucius' contribution to accounting needs to be affirmed. In his times of more than 2,500 years ago, it is miraculous to have such profound an understanding of accounting as Confucius had.

In September 1949, Shu Yongzha, a senior statesman of Chinese accountants, attended the first meeting of the Chinese People's Political Consultation Conference. During that meeting, Premier Chou Enlai introduced him to Chairman Mao Zhedong by saying "This is Mr. Shu Yongzha, a famous certified accountant." Immediately, Chairman Mao warmly shook hands with Mr. Shu and, with a smile and in good humor, said, "You are a fellow worker of Confucius. Confucius was once an official of accounting who said 'Accounts must be recorded correctly and accurately.' Confucius was an accountant. However," continued Chairman Mao, "accounting work of our day is much more important than in the times of Confucius." The fact that Confucius was a worker and a forefather of Chinese accounting is an honor to all accountants. It also shows that accounting has a long history in China.

1988 MEMBERSHIP COMMITTEE NAMED

Academy president, Dale Flesher, has named 15 individuals to the 1988 Membership Committee. Dr. Rita Hull of Virginia Commonwealth University will chair the committee. The committee basically has only one charge—to increase the quantity of the Academy's membership. In addition to Dr. Hull, the membership of this year's committee includes:

- Robert Morgan, East Tennessee State University
- Dahli Gray, Notre Dame University
- Glenn Vent, Nevada—Las Vegas,
- Richard Fleischman, John Carroll University,
- George Murphy, University of Saskatchewan,
- Giuseppe Galassi, Parma, Italy,
- Edward W. Younkens, Wheeling College,
- Edward Becker, Nova University,
- Walker Fesmire, University of Michigan—Flint,
- Sandra Byrd, Southwest Missouri State University
- John W. Coker, Tennessee State University,
- John C. Gardner, Wisconsin—La Cross,
- Richard Macve, University College of Wales,
- G. A. Swanson, Tennessee Tech University.

HISTORY PAPERS AT REGIONAL AAA MEETINGS

Several accounting history papers were presented at the 1988 Southeast, Southwest, and Midwest regional AAA meetings. The papers and their authors are listed below. Most of the papers were published in the *Proceedings* of the respective meeting.

Midwest

Charles W. Wooton (Southwest Missouri State University), "The Founding of the Big Eight Accounting Firms."

Alvaro Martinelli (Appalachian State University), "Venetian Accounting—The Accounting Books of Andrea Barbarigo."

Ronald R. Bottin, (University of Wisconsin—La Crosse) and G.A. Swanson (Tennessee Tech University), "Contributions of Wallace E. Olson to the Accountancy Profession."

Rodger L. Brannan (University of Nebraska—Lincoln), "Technician or Social Guardian—The Auditor and the Discovery of Fraud and Illegal Acts Since 1945."

Hans V. Johnson (University of North Dakota), "Contributions of the New York Stock Exchange and the American Institute of Accountants to Financial Disclosure Prior to 1933."

Southeast

C. Richard Aldridge (Western Kentucky University), "The Development of Industries and the Development of Accounting Principles—A Historical Perspective of the Railroad Industry."

Dale L. Flesher (University of

Mississippi) and Zabihollah Rezaee (University of Alabama at Huntsville), "History of College Accounting and Auditing."

J. O. Ray (Tennessee Tech University), "Medieval Accounting Controls: The Knights Templars as International Financiers in the Middle Ages."

Jan Richard Heier (Auburn University at Montgomery), "Asset Valuation and Income Determination on a Pre-Civil War Cotton Plantation."

Southwest

James H. Potts (East Tennessee State University), "A Decade of Decision for Municipal Accounting, 1915-1925."

Dennis H. Hudson (University of Tulsa) and Doris M. Cook (University of Arkansas), "Development of Big GAAP—Little GAAP Controversy."

Jan R. Heier (Auburn University-Montgomery), "The Effect of the American Civil War on Bookkeeping Practices in the South: Notes on the Utilitarian Nature of Accounting Development."

Steven D. White (Harding University) and Doris Cook (University of Arkansas), "The Genius of Charles Babbage—Mathematician, Inventor, Cost Accountant."

Dale L. Flesher and Tonya K. Flesher (both of the University of Mississippi), "T. Coleman Andrews and the GAO."

Barbara D. Merino (North Texas State University), "Accounting History: Research and Methodology."

WHY BILLY CAN'T DO STATS (or WHY BILLY DOES HISTORICAL RESEARCH)

By

*Billy Bob Bobo**

**The author used his nom de plume
to protect the guilty.***

Recently, I changed offices. In the process of the move, I discovered a box of "historical documents". These were the unpublished notebooks from my Ph.D. courses. Being the historian that I am, I could not throw away documents such as these. Instead, I started an investigation (reminiscing) of the days when I was a young, starry-eyed scholar.

However, my notebooks from my Stats classes revealed a different story. Much to my chagrin, I uncovered old tests and examinations. I had long ago repressed the memory of those painful classes with which I had such a struggle and so little success. As you can imagine, the results of these tests were nothing to brag about—far from it—the results probably should remain with the other skeletons in my closet. However, from these documents, I gained new insight to why my career in research became bent towards historical research. My hypothesis is that I was such a poor student of statistics that I decided to do something (anything) other than empirical research.

The definitions below were taken from questions and answers from these historically significant old tests of mine. My answers to even the most basic statistical "identification" question supports the above hypothesis.

1. PARADIGM - two dimes or twenty cents.
2. MULTICOLLINEARITY - a social disease curable by massive injections of penicillin.

3. BERNOULLI - a type of Italian pasta, its green I think.
4. KURTOSIS - foul breath.
5. HETEROSKEDASTICITY - the tendency toward sexual normality.
6. HOMOGENEITY - the opposite of heteroskedasticity.
7. DEVIANT - another pseudo sexual/medical term concerning abnormality.
8. OUTLIER - (a) a bum lying around outside or, (b) a champion storyteller - my brother, for example, could out lie everyone, now he is a very successful lawyer.
9. ORTHOGONALITY - the subject of birdwatching.
10. TCHEVYCHEFF - a cook at the nearby GM auto assembly plant.
11. DURBIN-WATSON - a suburb of a large South African city.
12. BOX JENKINS and SOLOMAN FOUR SQUARE DESIGN - forerunners of the Rubic's Cube.
13. MEAN - state of being nasty, vile, contemptuous and repulsive, for example a Stats instructor.
14. MEDIAN - the middle divide of the Interstate Highway where it is illegal to drive.
15. BLOCKING FACTOR - the middle of the football team's offensive tackles, guards and the center.

16. REPEATED MEASURES - a musical composition technique in which the same theme, harmony, etc. is used over and over again, sometimes this can be represented by a Coda sign.
17. REGRESSION - moving backwards, reversing, getting worse.
18. TWO-TAILED TEST - an English Lit exam on the Dicken's novel, *A TAIL OF TWO CITIES*.
19. SIGNIFICANCE AT THE OH FIVE LEVEL - the time work ends and play begins, when the factory whistle blows for the last time for the day.
20. CHI-SQUARED TEST - part of a fraternity initiation rite.
21. SUBJECTS - Courses that I am taking such as Accounting, Economics, and Statistics.
22. F RATIO - another measure of my grade point average computed by dividing the number of Fs received by the number of courses attempted.
23. NESTED DESIGN - the study of how birds construct their nests, part of orthogonality.
24. APRIORI - an Italian monk who bred peas or peacocks and discovered the theory of relativity or something.
25. MULTIVARIATE NORMAL - another pseudo-sexual term, see Heteroskedasticity.
26. ASYMPTOTIC NORMALITY - another type of sexual normalcy. I don't know why Stats and the Stats instructor are so hung up on sex. Its nothing but sex, sex, sex in this class.

27. DUNCAN - a character from Shakespear's MacBeth.
28. TYPE ONE ERROR - signing up for this Stats class.
29. CONFIDENCE LEVEL - real low, after getting back the last Stat test.

***So that this work is never attributed to Bill Shakespear, Bill Beaver, Bill Bradley, the Dollar Bill or any other Bill, William D. ("Bill" or "Billy Don") Samson of the University of Alabama takes full responsibility.*

CALL FOR PAPERS— COMMUNAL SOCIETIES

The National Historic Communal Societies Association will hold its 15th annual conference at the restored Moravian sites of Old Salem and Bethabara in Winston-Salem, North Carolina from October 6-8, 1988. The theme of the conference is "Communal Societies from Colonial Days to the Present." Papers dealing with any aspect (including accounting and business practices) of any and all communal societies are welcome. Individuals interested in participating in the conference should submit at least a one-page summary of their paper and a brief personal resume to: Dr. Thomas J. Hauptert, Director, The Moravian Archives, 4 East Bank Street, Winston-Salem, NC 27101-5307.

The official program for the 5th World Congress of Accounting Historians, scheduled for August 21-24, 1988, in Sydney, has now been finalized. The speakers and their topics are listed below:

Murray Wells (University of Sydney): Official Opening.

Johnson, H. Thomas (Portland State University): "Rediscovering Management Accounting's Lost Relevance." Sponsored by Arthur Andersen & Co.

Edwards, J. R. (University College—Cardiff): "Nineteenth Century Audit Certificates in Great Britain."

Debessay, Araya (University of Delaware): "Gilmans Contribution to Accounting Thought: A Golden Anniversary Retrospective."

Mann, Harvey (Concordia University): "Analysis of Canadian Institute of Chartered Accountants' Handbook."

Someya, Kyojiro (Waseda University): "Evolution and Revolution in Japanese Accounting History."

Lister, Roger J.: "Business Finance and the Orthodox Model: The Talmudic Case."

Gaffikin, Michael J. R. (University of Sydney): "The Archaeology of Accounting."

Fleischman, Richard (John Carroll University) and Lee Parker (Flinders University): "Managerial Accounting During the British Industrial Revolution."

Mattessich, Richard (British Columbia): "Academic Accounting Research in Canada (1953-1988)."

Standish, Peter: "The Origins of the Plan Comptable General."

Parker, Robert H. (Exeter): "Accounting Basics: Language, Writing and Calculation."

Buckmaster, Dale (University of Delaware): "Income Smoothing Literature and Research in the U.S., 1923-1986."

Williams, John (University of Alberta): "The Evolution of Management Accounting in Canada."

Sheldahl, Terry K. (Savannah State) and Gary John Previts (Case Western Reserve University): "From Rote to Reason, the Development of American Accounting Thought from 1830 to 1880."

Serri, Luigi: "Montecassino Abbey in Accounting History."

Jaruga, Alicja A. (University of Lodz): "The Evaluation of Accounting in East European Nations."

Cooper, William (North Carolina A & T): "Accounting Techniques of 19th Century Southern Plantations."

Graves, Finley (University of Mississippi): "Walter Mahlberg's Valuation Theory: An Anomaly in the Development of Inflation Accounting."

Mace, J. Roger (University of Lancaster): "A Review of the History of Public Finance and Taxation in the U.K. With A Special Reference to the Development and Implementation of the Concept of Taxing "Income" and the Use of Accounting Data for the Purpose 1788-1888."

Olson, Olov: "Myths and Change—The History of Changing Accounting Norms and Practice in Swedish Local Governments."

Kreiser, Lawrence (Cleveland State University): "Shaker Accounting Records in the United States During the Nineteenth Century."

Clarke, Frank (University of Sydney) and Graeme W. Dean (University of Sydney): Schmidt and Limperg: "Pattern, Chaos and Order."

Gray, Dahli (Notre Dame): "Evolution and Revolution of International Tax Policies and Practices."

Storror, A. Colin (University of Stirling) and Michael Scorgie: "Eastern Influences on the Development of Double-Entry Bookkeeping."

Hu, Yi-Fen: "The Long History of Accounting in China."

Swanson, G. A. (Tennessee Tech University): "Incipient Monetary Forms."

Kantor, Jeffrey (University of Windsor): "Valuations: Origins From the Mishnah and Gemora."

Morgan, M. J.: "Historical Development of Management Accounting's Response to Changes in Managerial Styles and Philosophies."

Yam, Stephen (Chinese University of Hong Kong): "Historical Development of Auditing in China."

Jacobsen, Lyle (California State-Hayward): "Early Accounting Data Bases of the Pacific: Knotted Cords in the Ryukyu Islands."

Vangermeersch, Richard (University of Rhode Island): "Colinson's Idea Rationara."

Birkett, William and Wai Fong Chua: "The Institutionalization of Management Accounting, 1950-1985."

Tai, Benjamin (California State-Fresno): "Role of Government Auditors in Ancient China."

Chambers, Raymond J. (University of Sydney Emeritus): "Time in Accounting."

Schmandt-Besserat, Denise (University of Texas): "Accounting in Prehistory."

Coe, T. L. (North Texas State University) & Barbara D. Merino (North Texas State University): "Voluntary Audits—Economic and Political Phenomena 1900-1929."

Bailey, Derek: "Accounting in the Shadow of Stalinism."

Gibson, Robert W. (Deakin University): "Two Centuries of Australian Accountants."

Mattessich, Richard (British Columbia): "Accounting and the Input-Output Principle in the Prehistoric and Ancient World: Commentary and Interpretation on Schmandt-Besserat's Archaeological Research."

Parker, Lee (Flinders University) and James Guthrie (University of New South Wales): "Critical Perspectives of Corporate Social Disclosure."

Black, Thomas (San Jose State): "The Evolutionary Development of United States Government Contract Cost Principles and Cost Accounting Standards."

Markell, William (University of Delaware): "Accounting in Botswana."

Lee, Geoffrey (University of Nottingham): "Manuscript Additions to the Edinburgh University's Copy of Luca Pacioli's Summa de Arithmetica."

Stewart, Ross (Seattle Pacific University): "The Methodology of Accounting History and Archival Research."

Flesher, Dale (University of Mississippi): "The Roots of Operational (Value-for-Money) Auditing in English-Speaking Nations."

Mumford, Michael (University of Lancaster): "A Crisis Theory of Statements of General Accounting Principles."

Mephram, Michael (Heriot Watt University): "Accounting in eighteenth Century Scotland."

Kennedy, Dennis (LaSalle University): "The FASB Conceptual Framework Project: An Accounting Renaissance."

Schoenfeld, Hanns Martin W. (University of Illinois): "The Impact of Economic and Political Conditions on Accounting."

Gwilliam, D.: "Auditor Independence and Audit Judgments: An Historical Perspective."

HISTORY IN PRINT

The following writings on accounting history have appeared in non-Academy publications during the past few months. The articles are listed here to make members aware of the articles being published and the publication outlets available. Readers are urged to keep the editor of *The Notebook* alerted to publications which should be listed in this column. Send your suggestions to Dale Fleisher at the editorial address. Readers in Asia and Australia may send their suggestions to Dr. Robert Gibson, School of Management, Deakin University, Victoria 3217 AUSTRALIA.

Bircher, Paul, "Company Law Reform and the Board of Trade, 1929-1943," *Accounting and Business Research* (Spring, 1988), pp. 107-120.

Cook, Doris and R.R. Guttikonda, "Evolution of Accounting for General and Administrative Expenses," *The Management Accountant* (India) (September, 1987), pp. 654-657.

Fleisher, Dale L., "Development of Internal Auditing," *Dangdaishenji* (Peoples Republic of China) (No. 1, 1988), pp. 44-46 (Published in Chinese).

Furbank, P. N., and W. R. Owens, *The Canonisation of Daniel Defoe* (New Haven: Yale University Press, 1988), 210 pages, \$25.

Goldberg, Louis, *Dynamics of an Entity: The History of the Accounting Association of Australia and New Zealand* (St. Lucia, Queensland: AAANZ, 1987), 301 pages.

Grandell, Axel, "The Bookkeeping of 18th Century Swedish Ironworks," *Daedalus* (1987), pp. 143-147 (Published in Swedish with an English summary.)

Hardman, D. J., "Prefigurations in Colonial Accounting: The Territory of Papua and New Guinea," *Accounting Forum* (September, 1987), pp. 35-44.

Hoskins, K. W. and Richard H. Macve, "The Genesis of Accountability: The West Point Connections," *Accounting, Organizations and Society* (No. 1, 1988), p. 37-74.

Marsland, P. W., "Bankruptcy: An Early Australian Case Study," *Chartered Accountant in Australia* (January/February, 1988), pp. 30-32.

Parker, Lee D., "An Historical Analysis of Ethical Pronouncements and Debate in the Australian Accounting Profession," *Abacus* (No. 2, 1987), pp. 122-140.

"Remembering Our Past 20 Years," *The Practical Accountant* (April, 1988), p. 60.

Shuo, Wen, *A History of Western Accounting: The Five Waves in the Development of Accounting*, Vol. 1 (Beijing: China Commercial Publishing House, 1987), 335 pages (Published in Chinese, with an English preface and many photos).

Skinner, Ross M., *Accounting Standards in Evolution* (Toronto: Holt, Rinehart and Winston of Canada, Limited, 1987), 712 pages, \$45.95 (Canadian).

Walker, R. G., "Australia's ASRB: A Case Study of Political Activity and Regulatory Capture," *Accounting and Business Research* (No. 67, Summer, 1987), pp. 269-286.

Youliang, Zhao, "A Brief History of Accounting and auditing in China," Chapter 11 in *Accounting and Auditing in the Peoples Republic of China* (Richardson, TX: Center for International Accounting Development, 1987), pp. 165-191, \$10.

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CALL FOR WORKING PAPERS

As a member of The Academy of Accounting Historians, you are invited to submit a manuscript on a topic in accounting history for possible publication as a working paper of The Academy. Working papers are refereed and are published on an irregular basis.

Manuscripts should be submitted in triplicate, typed on 8 ½ x 11 inch paper, and double spaced. Footnotes and bibliography should be in the style used by *The Accounting Historians Journal*. Manuscripts ranging from 8 to 30 pages are deemed most appropriate for this Series. An abstract of approximately 200 words should be presented along with the manuscript.

Papers for possible inclusion in the Working Paper Series should be sent to:

Rasoul H. Tondkar

School of Business

Virginia Commonwealth University
Richmond, Virginia 23284

TWO CENTURIES OF AUSTRALIAN ACCOUNTANTS

by

Robert W. Gibson

Deakin University

Geelong, Victoria, Australia

In this bicentenary year of Australia, it is appropriate to identify some of the accountants who have made notable contributions to the development of accounting in Australia. While it is tempting to match the numbers to the years, space is a limitation.

Any such historical review of accounting in Australia naturally falls into two parts. From 1788 to 1901 the continent was occupied by six sovereign colonies. Communications were poor and the rigours of coastal sailing such that the colonies developed largely as isolated communities. For the first ninety-eight years there was no organized group of accountants in any of the colonies. It is therefore not surprising that there is little documented evidence to draw upon about this first century. The second part of the review involves the federation movement and the creation as Edmund Barton, the first Prime Minister, put it of one nation for a continent. Just as the colonies had to politically coalesce so also did the colonial organizations of accountants have to come together and merge their interests to reach the stage of dominance now exercised by the Australian Society of Accountants (ASA) and the Institute of Chartered Accountants in Australia (ICAA). Those developments are inseparable from any attempt to salute those accountants who have left their mark on the profession.

The reader should take note of the small populations which existed in some of the states even as late as 1945. The historical advantage of the first settlement being in Sydney and the impact of the wealth from the gold rush in Victoria in the middle of the nineteenth century cannot be ignored. It is inevitable that this survey reflects a bias towards people from New South Wales and Victoria.

The post-colonial or federation period may also be regarded as made up of two quite different periods roughly defined by World War II. In the pre World War II period, the professional organizations were primarily concerned with securing a professional identity and eliminating "non professional" competitive practices. In Victoria there was a leavening of scholarship led by A.A. Fitzgerald which made the accountants in that state the intellectual leaders of the profession. In the period since World War II these roles have been reversed to a degree largely due to the emergence of new personalities in the professional organizations.

COLONIAL ACCOUNTANTS

It is reasonable to conclude that knowledge of double entry bookkeeping, the basis of modern accounting development, arrived with the first fleet in 1788. The listings of occupations of those who arrived does not identify anyone as a bookkeeper or accountant. However,

travelling on the H.M.S. *Sirius* in the first fleet was John Palmer, the Pursar who later acted as the governor's secretary. In 1790 when the first government storekeeper Andrew Miller became ill and was to return to England, Palmer was appointed by Governor Phillip in Charge of the Commissariat (Australian Encyclopaedia, Vol.6, p.438). In the absence of any other financial institutions, the Commissariat issued notes and was effectively banker to the colony. It is reasonable to conclude that the commissariat records used double entry. The likelihood is that Palmer, like many junior naval officers, was taught bookkeeping at the naval college at Greenwich. Such instruction had been instituted after scandals at the time of William Pepys, of diary fame, involving embezzlement linked to the provisioning of naval vessels.

Captain John Macarthur, recognized as father of the Australian sheep industry, was for a time paymaster of his regiment. Surviving records of the New South Wales Corps cash book dated 1789-92 are sufficient to infer they were based on the Italian method of double entry.

When Governor Lachlan Macquarie issued his controversial charter to the founders of the Bank of New South Wales, he created the first corporate body in the colony of New South Wales and thus in the whole continent. The surviving records show that the bank used the double entry system even if the instruction in the technique came from a convicted embezzler John Croaker (Gibson, 1986).

This is a more generous interpretation than that adopted by Parker (1986, p.85). He refers to the 1823 ledger of Cooper and Levey and then observes.

The reference to debits and credits does not mean the Cooper & Levey's ledger was kept in double entry, which

was not commonly used in those years. Knowledge of double entry was, of course, available from Britain. Robert Campbell, the colony's first permanent merchant (from 1800), probably learned bookkeeping at the Grammar School in Greenock in the west of Scotland. Also born in Greenock was the Reverent J.D. Lang whose surviving ledger contains worked book-keeping exercises based on Robert Hamilton's *An Introduction to Merchandize*, a Scottish text first published in 1777.

From 1804 onwards private schools advertising in *The Sydney Gazette* included 'book-keeping according to the Italian mode' and 'merchants accompts' (ie-double entry) among the subjects they offered. There is a memorial plaque to one of these teachers, William Pascoe Crook (1775-1846), in the Uniting Church in Pitt Street, Sydney.

Among the early colonials whose biographies have been documented, there are few from the nineteenth century who can be identified with accounting.

The most notable in the early years was probably William Lithgow (1784-1864) who was educated at Edinburgh University and became a clerk in the army commissariat. He arrived in Sydney in 1824 to take charge of the accounts of the commissariat. He was given the post of auditor of colonial accounts on the recommendation of Governor Brisbane. His wide ranging involvement in the colony nearly caused him difficulties over delays in finalizing the accounts. Among other appoint-

ments he was a director of the Bank of New South Wales (Pike, 2:119-120).

The second half of the century provided more scope for the accountants' skills. John Hack (1805-1884) came to Australia in 1837 and was involved in a variety of contracting and farming enterprises. He was said to be too soft-hearted to be a successful pioneer. After the last of his reverses he became general accountant for the South Australian railways in 1870 (Pike 1:497).

Ebenezer Cooke (1832-1907) was trained in London and in 1862 arrived in south Australia to be accountant to the English and Australian Copper Co. He was later Commissioner of audit to the colony. He effectively established the government audit function under the Audit Act of 1882 which followed his work as Chairman of a Royal Commission (Pike, 3:450-451).

Joseph Fisher (1834-1907), born in Yorkshire, was successful in business and is recalled by the two yearly lectures in commerce he endowed at the University of Adelaide (Pike, 4:172-173).

Richard Ford (1837-1898), born at Liverpool, served with distinction as town clerk of Ballarat, first Secretary to the new Melbourne Harbor Trust Commission and Commissioner of Railways. He was later legal manager for the famous Collins House companies (Pike, 4:197-198). Lavington Glyde (1823-1890), born at Exeter, became a successful financier and parliamentarian in Adelaide (Pike, 4:257). Robert Gilfillan (1823-1909), a Scot, engaged in a variety of activity and in later life was a director and later auditor of the Australian Mutual Provident Society (Pike, 4:247).

The maturing of the colonies led to the rise to prominence of those who arrived as children and were educated locally. George Schoen Davies (1841-1910) was born in England but educated at Geelong

Grammar and commenced his career with the Geelong branch of the London Chartered Bank of Australia (Pike, 4:29-31). His brother Joseph Bartlett Davies (1843-1924), also educated at Geelong Grammar, became an accountant but was said to be led by his notorious younger brother (Pike, 4:29-31).

In due time those born in the colonies began to be identifiable as active accountants. Geoffrey Eagar (1818-1891) born at Sydney became the first branch accountant of the Bank of New South Wales. Here he had major influence on accounting practice as he did also on government activity when he served as legislator and later as civil servant (Pike, 4:125-126).

Alexander Cameron Macdonald (1828-1917) born at Campbelltown near Sydney called himself an accountant but also practiced as a surveyor. He was involved in many development activities in Geelong. As a staunchly patriotic Australian it is fitting that his most notable work was the formation of the Victorian branch of the Royal Geographical Society of Australasia (Pike, 5:144-145).

While these eleven individuals may hardly seem the making of a profession — they do indicate the character of a slowly growing band who were before the end of the century to seek public recognition by creating their own identifiable professional organizations.

Publishing of accounting literature in Australia in the nineteenth century was very limited. We note that John Scouller was not only one of the early authors but also probably the most adequately documented. His *Practical Book-keeping* went through six editions between 1880 and 1904 (Goldberg, 1977 and 1984 and Gynther, 1984).

Although knowledge of colonial accountants and their work is slender, we can note that it was the sons of two book-

keeper/accountants who were among the leaders of the federation movement and became the first two Prime Ministers of Australia. These were Edmund Barton from New South Wales and Alfred Deakin from Victoria (Gibson, 1983). The colonials who founded the first associations of accountants and who were involved with the famous 1896 *Companies Act* in Victoria will be discussed within the context of the second part of this bicentenary salute to the famous.

PROFESSIONAL ORGANIZATIONS

Although the fledgling organization does not appear to have left any specific impact, we must acknowledge the initiators of the first organization of accountants in Australia. This was the Adelaide Institute of Accountants formed at a meeting on 20 November 1885 and incorporated four months later. J.E. Thomas was prominent among the 18 founders and was a council member and secretary, after the first five years, until his death in 1920. He was followed as secretary by R.M. Steele who served for the following 31 years. They effectively maintained the organizational fabric in South Australia.

A much greater impact was made in the long run by the Incorporated Institute of Accountants in Victoria (IIAV) founded in 1887. This became the Incorporated Institute of Accountants Commonwealth of Australia in 1918 then the Commonwealth Institute of Accountants (CIA) in 1921 and provided through its membership the intellectual contribution to the ASA on its foundation. W. Crellin, the first president, acting as such for five years and J.H. Flack, one of the joint secretaries, started something substantial. For forty years this was the preeminent group of accountants until the Royal Charter attracted some of the more influential members in public practice across to the ICAA.

The Sydney Institute of Public Account-

ants was established in 1894 and when it joined the Australasian Corporation of Public Accountants (ACPA) in 1908, the forerunner of the ICAA, established a preeminence of New South Wales influence in the ICAA which continues at present. One of the founders to leave his mark was H.B. Allard. It is not clear if Sir George Mason Allard, ten years his junior, was a brother or relative. Sir George along with Joshua Wise and Thomas Brentnall formed the trio of petitioners to whom the ICAA Royal Charter was issued in due course. Thomas Brentnall had been first president of the ACPA and continued in practice to the age of 91. He was undoubtedly proud to have been first president of both the ACPA and the ICAA and to hold the number one certificate issued by each organization. We shall return to him later.

In more recent time we must recognize G.E. Fitzgerald, the last President of the CIA before the creation of the ASA. The present day reader must conclude that this leader of the intellectual forces of the CIA stood aside for the president of the numerically larger Federal Institute of Accountants (FIA) to become first president of the ASA. C.R. Hicking thus became the only nominee in this tribute to be included because of membership of the Federal Institute of Accountants.

With limited historical perspective we may include in this list J.O. Miller. John Miller must be regarded as the primary influence in the development of what the ASA describes as the Professional Schedule. Later historians will be able to better assess its influence. We include it and its principal originator because it marks such a fundamental shift from seeing a professional organization as a restrictive trade association to become a marketing and promotional vehicle (ASA, 1983).

Consideration of the professional

organizations inevitably leads to identifying a group of administrators, many of whom were not accountants. The Brierley family in New South Wales provides a remarkable story based on managing organizations as an occupation (Gavens). Their contribution over 35 years to the Federal Institute was almost certainly a major force in establishing it as the organization with the largest membership though producing few other notable contributions. The ICAA was likewise served for 66 years by S.J. Carruthers and S.J.T. Walton. Particularly during the years of the latter the ICAA was dominated by a conservative Council. These administrative arrangements may well have contributed to the lack of intellectual consideration of accounting in the development of these organizations. On the other hand C.W. Andersen, Mary R. Garbutt, B.L. Horsley and Joan Manly (Anon 1973c) all served the CIA and ASA for about 30 years during a period when those organizations provided an avenue for the group led by A.A. Fitzgerald to exercise an outstanding intellectual leadership. Another ASA employee of profound influence, though not an accountant, was F.G. Dickinson who will be referred to later.

As though there were a professional seesaw between Sydney and Melbourne, the more prominent administrators in recent time have again been in Sydney. A.W. Graham and V. Prosser have both adopted a high profile on behalf of the ICAA and historians in the future will find fertile ground in their public utterances and publications.

PROFESSIONAL EDUCATION

For over half a century a major activity of professional organizations was the conduct of examinations. Even when educational institutions were involved in accounting education it was usually to prepare candidates for the professional examinations. Two figures stand out.

Thomas Brentnall wrote that he held the only complete set of papers for the fifty years he was involved for the ACPA and ICAA (Brentnall, p.65). A.W. Cleveland was for many years chairman of examiners for the IIAV. He was president of the IIAV in 1899, 1900, 1908, 1909, 1911, 1912 and 1915. It is doubtful if anyone else matched these records when length of service and the importance of the examinations in the context of the times are taken into account.

L.A. Braddock was President of the ASA when the move was made to graduate entry to that organization. This had a fundamental impact on the role of the educational institutions which Braddock as head of school at the South Australian Institute of Technology must have well understood. When the history of the ICAA professional year is written it may identify individuals who have filled a key role in that development.

A reference to professional education would be incomplete without including a "temporary Australian" in the person of Professor W.J. Vatter. His report into accounting education for the ASA led to the decision to move to graduate entry. One could suggest that no other person has had such an obvious impact on accounting in Australia.

Professional examinations spawned an array of coaching colleges including the ubiquitous Hemingway Robertson Institute. Among those running such colleges who left some imprint in the literature were Curtis Reid and Speck in Melbourne and Yorston in Sydney. We will refer to the latter two again.

EDUCATIONAL INSTITUTIONS

Discussion of the earlier system of professional examinations and the move to graduate entry leads to a consideration of individuals in the educational institutions. Thanks to a series of articles in the *Australian Accountant*, the *Accounting*

History Newsletter, a series in the earlier *Newsletter* of the Australian Association of Teachers of Accounting, and Professor Goldberg's monograph *The Florescent Decade*, this is a reasonably well documented aspect of the Australian accounting story.

The outstanding pioneers of an adequate professional academic education were A.A. Fitzgerald and E.V. Nixon who introduced the course at Melbourne University in 1929. Fitzgerald in this and many other activities provided a brilliant intellectual leadership. As Goldberg himself documents, the great development after World War II involved himself, R.J. Chambers, Russell Matthews and Reg Gynther in the four major universities then existing. W. Nicholls in Tasmania and R.H. Parker in W.A. were involved in smaller scale developments. Bryan Smyth started out with the Sydney Technical College and finished as professor in the largest school in the country at the University of New South Wales. In the non-university sector, key rolls were filled by Keown at the Royal Melbourne Institute of Technology and by Braddock at the South Australian Institute of Technology. The records of individual institutions show the contribution of others but most were followers and refiners rather than the initiators in the manner of the "seven greats" of the forties and fifties.

In the field of education we must include the influence of the teaching skills of Professor W.J. Stewart. Elsewhere I have documented the influence of his methods on accounting education in Australia (Gibson, 1984, p.239).

RESEARCH

Universities are by nature centers of both teaching and research. It is therefore logical to move from one of these to the other. At another time I have explained the paucity of research in Australia prior to World War II and suggested reasons for

this. However, the outstanding example from that period was A.A. Fitzgerald. References have already been made to the intellectual leadership shown by the CIA largely due to Fitzgerald. Zeff puts it thus:

A.A. Fitzgerald, who was editor of *The Australian Accountant* from 1936 to 1954, wrote several books and scores of articles, and lectured in the University of Melbourne from 1925 to 1958. A recurring theme in his many writings is the importance of examining overseas writings, particularly those in America and England. His interpretations of developments abroad, notwithstanding a separation of 10,000 miles from their venue, were unerring and incisive. It would be no exaggeration to say that Fitzgerald was the intellectual leader of the Australian accounting profession for more than three decades (1973, p.30).

It must be regarded as remarkable that the small academic community of the late fifties and early sixties could boast the names of R.J. Chambers, L. Goldberg and Russell Matthews. All of these published widely and were among the best known scholars on the international scene of accounting.

About 1970 a series of articles by Ray Ball and Philip Brown appeared. While the primary research was done at the University of Chicago, they had received their initial training in an Australian university and until recently were both back in Australia. A less justifiable claim to Australian credit would be the development of positive theory by Ross Watts, an expatriate Australian at the University of Rochester. Similarly the outstanding work by expatriates Foster and Leftwich could

Outside the educational institutions the singularly most important contributor to research has been Dr. John Kenley. We will return to him later in another context.

PUBLISHING

A brief reference was made earlier to nineteenth century publishing. Academic stimulation, teaching and research will inevitably lead to writing and publishing. Authors of textbooks potentially can have a more lasting impact than most authors and become more widely known. Goldberg has provided a convenient summary of the origins of an indigenous textbook literature. He outlines the pioneering roles of Barton, Schumer, Scott and himself.

With two major publishers in Australia it is not surprising that the traditional New South Wales/Victoria division can be found. The Law Book Co. stable included R.K. Yorston, B.L. Smyth and S.R. Brown whose texts became the Australian equivalent of the American Finney and Miller. R.A. Irish's text on auditing was the universal guide to aspiring accountants. Other Law Book Co. authors included R.J. Chambers. Is there a hint of jealousy in suggesting that Butterworths eschewed the pedestrian student need and gave preference to a range of more adventurous subject titles from their stable of authors which included the master of all things A.A. Fitzgerald, his brother G.E. Fitzgerald, V. Solomon, A.E. Speck and Vic Gole. While others have followed these well worn tracks with texts for the high volume market, at least three more recent authors deserve mention for being first with texts on modern finance theory and accounting theory. These are of course G. Peirson, R. Bird and M.S. Henderson who are, or were at various times, at one of our newer universities—Monash.

In the field of periodicals or journals two names stand out. One is A.A. Fit-

gerald who crafted the *Australian Accountant* into one of the great accounting journals using his editorial post to cajole and push the accounting profession forward (Syme, 1983). The other is F.G. Dickinson a nonaccountant who filled the same editorial role from 1957 to 1972 (Anon, 1973, p.31). He nurtured young and aspiring authors and cultivated the continued support of his well known authors.

Another group of writers who deserve mention are the compilers of the special taxation and legal sections of both the *Australian Accountant* and the *Chartered Accountant in Australia*. In the former, JAL Gunn provided the tax section between 1936 and 1955 and then D.G. Wilkins until 1982. In the latter, Challoner provided a similar series from 1950 to 1986. Gunn also provided a legal section for a decade (Anon, 1955). A wider range of columnists have been involved in this area except that Professor D.G. Nash has been contributing to the *Australian Accountant* for a quarter of a century. This group of authors was almost certainly among the most widely read in the accounting profession.

Newspaper journalism about business and accounting is a relatively modern phenomena. One outstanding writer to emphasize accounting issues in the late sixties and early seventies was Ashley McKeown. While others have followed with less comprehensive coverage he was the first to provide for public discussion of accounting issues. Uniquely among journalists at the time he had the advantage of being a qualified accountant (Zeff, p. 54).

ACCOUNTING PRACTICES

For the first hundred years of Australian accounting it would be unlikely to expect to find any evidence of discussion of substantial issues in accounting. Income taxes were unknown, public companies

were few in number and shares were held by very few investors. One area of investment activity had been the uniquely Australian device of the no liability company for deep lead gold mining. The modern era of accounting development could be said to have been ushered in with the Victorian *Companies Act* of 1896. It was a member of the IIAV, C.M. Holmes, who was responsible for the suggestion of the proprietary company with the privilege of non disclosure. This suggestion was gladly taken up and pursued into law by Sir Frederick Sargood, a member of the upper house.

The introduction of the technique of consolidations involved a number of accountants who might be identified via the companies which pioneered this technique. The incorporation of it as a statutory requirement in the Victorian *Companies Act* 1938 is owed most to G.E. Fitzgerald. Not only was he the prime advocate but subsequently with Speck became the author of one of the pioneering texts on the subject.

Any professional concern about auditing standards was not evident until after World War II. When the matter was raised there was little general interest and it was due to the personal endeavours of F.E. Trigg that a set of formulated standards was ultimately established by the ICAA (Gibson and Arnold, 1981).

A major force for improving the presentation of annual reports has been the AIM Annual Report Awards. One driving force behind its inception in 1950 was T.S. Owens, an accountant and Chairman of the Finance Panel of the Sydney Division of the Australian Institute of Management. Both he and Sir Keith Yorston (q.v.) were associated with the award for 33 years.

The last three decades saw an awakening concern about accounting standards. The limited effort made to copy English

recommendations in the late forties could hardly deserve to earn credit in this survey of individual contributors to the profession. The efforts of T.A. Hiley, President of the ICAA, on this matter matched those of Trigg on auditing standards but did not fall on fertile soil. Likewise K.N. Stonier as Committee Chairman helped set things moving in the ICAA. Within the ASA some of the persuaders who helped create the necessary climate included L.A. Braddock, G. Bottrell and A. Donnelly.

Setting accounting standards reminds us of the importance of support staff. It was the absence of such support which Zeff shows helped hold back developments with the ICAA. The first secretary and second research director of the Australian Accounting Research Foundation (AARF) was W.J. Kenley. The range of materials produced by him rank him as undoubtedly the most prolific researcher yet in Australia outside the universities. A less obvious role was filled by Dr. Bruno Feller. In recent years the work of the foundation has been directed by Kevin Stevenson who seems destined to be ranked with some of the long standing incumbents of equivalent positions overseas.

One avenue through which accountants may influence accounting practice particularly in the public sector is by participation in boards of enquiry, royal commissions etc. There have been some notable examples of this. Sir Gordon Allard participated in enquiries into the NSW Public Service and Public Service Board, Lands Dept., Public Works Dept. and the Territory of New Guinea. Sir Edwin Nixon was on the Royal Commission on the Monetary and Banking Systems and involved in munitions production management. As well as other lesser roles, Sir Alexander Fitzgerald was on the Royal Commission on Water Supply, Chairman

Commonwealth Grants Commission and on the Committee of Inquiry into the Commercial Accounts of the Post Office. More recently, Professor Matthews made a detailed enquiry into taxation and changing prices. Regrettably the only positive government action arising from this enquiry, which was to introduce the Trading Stock Valuation Adjustment, became part of taxation law for just two years (Gibson, 1984). These positions tend to reflect more directly on the professional association links of the individuals than is the case with the numerous accountants filling important managerial roles in the private sector.

WOMEN

In this day and age it is mandatory to attempt to identify the role of women who may well have been overlooked. We cannot rewrite history and create a role which did not exist. The truth is that it was not until 1918 that women were admitted to the IIA forerunner of the CIA, not until 1925 to the Federal Institute, and not until 1927 did the rules of the predecessor of the ICAA permit female members. It is not surprising that women did not achieve the prominence of those already discussed but the future will be different.

Miss Jean St. G. Kerr was among the first full time academic accountants quite apart from being the first woman appointed as a lecturer in accounting in an Australian university. With the professional organizations it was only in the last decade that women occupied elected office. Mrs. Davis of South Australia was the first member of a state council of the ASA in 1972 followed by Miss Feige in Queensland and Mrs. Sherry in Victoria in 1974. Although not the first council member, Elizabeth Alexander was the first woman Victorian president in 1984 and is currently National Deputy President of the ASA. Margaret Jackson was appointed to a casual vacancy on the Victorian State

Council of the ICAA in 1985 to be the first to join any State Council of the ICAA. On the executive side, it should be noted that Miss B. Pimlott was South Australian Registrar for the ASA from 1970-1981.

Miss Annie Peters in 1947 became a partner in Barracrough Fitts and Co., an antecedent of Touche Ross. Elizabeth Alexander became the first woman partner of the firm of Price Waterhouse. Other women conducted professional practices in their own right and the Secretary of at least one of our large manufacturing companies was a woman before affirmative action arrived. The efforts of many of these women have so far gone unrecorded and unheralded.

CONCLUSION

This survey has deliberately been most selective in identifying those accountants to whom we owe a debt of gratitude. A count shows that 50 persons have been identified as important contributors with another 37 filling walk-on or bit parts. Sufficient primary research has not yet been done to be sure of the coverage of this survey. It is a reflection of what we are presently aware of and invites us to make further enquiries into particular parts of this two centuries of accounting and accountants in Australia.

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STEVELINCK HONORED

David A. R. Forrester of Glasgow recently sent a copy of the October 1987 issue of the newsletter of the Order of Expert Accountants of Belgium. It was noted on the first page that "Two administrators of the Order (of Expert Accountants), eminent professionals in the practice of accounting, will be named by His Majesty (the King of Belgium) as Officers of the Crown: Robert Houlotte and Ernest Stevelinck."

"This distinction represents...the crowning of careers devoted entirely to the development and teaching of the science of accounting and to their works on the history of accounting in the world."

Mr. Stevelinck is a Life member of The Academy and convened the First International Symposium of Accounting Historians, held in Brussels in 1970. In 1987 he was the recipient of the Hourglass Award for his contribution to accounting history literature.

It was also noted in the newsletter that several days after receiving the Order of the Crown, Mr. Houlotte died. While he was not a member of The Academy, he was a prolific author in the areas of accounting practice and accounting history. He was the co-author, with Mr. Stevelinck, of the book *Luca Pacioli: Sa Vie Sa Deuvre*. This was the first modern translation of Pacioli's *Summa* into French. It also contained a large section on Pacioli's life.

Melbourne.

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McMullen wrote of the painting:

In 1845 the now forgotten but once popular Aimée Brune-Pagés brought the cult and the Gioconda myth together in a grand troubadourish canvas, exhibited at the French official Salon and widely diffused by an engraving, showing Leonardo [da Vinci] painting a rather peaked and bored [Mona] Lisa, with Vasari's 'singers and musicians or jesters' on one side of the easel and an admiring young Raphael, accompanied by the mathematician Luca Pacioli in his Franciscan friar's robe, on the other side.³

The terms "La Gioconda" or "La Joconde" are the Italian and French for what, in English, is called "Mona Lisa." This painting is an example of the cult related to Leonardolatry and Giocondolatry.

Also mentioned is "Vasari's 'singers and musicians or jesters'...." The reference is to Giorgio Vasari (1511-1571 or 1574) who was born in Arezzo, Italy. He was a painter, architect and historian of Italian art. In Florence he studied with Michaelangelo and Andrea del Sarto under the patronage of the Medici princes. Evidently, his career in painting and architecture was not long lasting. His fame rests upon his book, commonly called *The Lives of The Painters*.⁴ This valuable history of art was one of the early contributions to the field of biography. First published in 1550 and again, partly rewritten and enlarged, in 1568, the book was very popular because it was "written in a pleasant style and interspersed with amusing stories and anecdotes." It should

also be recalled that Vasari was one of the more influential authors who spread the allegation that Pacioli had plagiarized much of his material from Piero della Francesca.

How closely this painting portrays the true likeness of Pacioli is not known. However, he was known well enough as a mathematician to be connected in a prominent way with the cult of the legendary Leonardo da Vinci.

¹ Robert Haulotte, "La découverte d'un tableau of Luca Pacioli est représenté," *Révue Belge de la Comptabilité et de L'Informatique* (30 June 1984): 29. Mr. Haulotte died on October 6, 1987.

² Roy McMullen, *Mona Lisa: The Picture and The Myth* (Boston: Houghton Mifflin Company, 1975), 166.

³ Ibid., 164-6.

⁴ Giorgio Vasari, *Le vite de' piu eccellenti pittori, etc.* 1550 and 1568. Critical edition by A. Venturi, Florence, 1898; The edition by E. H. and E. W. Blashfield and A. A. Hopkins, 4 Vols. New York, 1913. These references are from R. Emmett Taylor's book *No Royal Road: Luca Pacioli and His Times* (Chapel Hill, North Carolina: The University of North Carolina Press, 1942), 410.

TO THE STUDENT: CAUSES OF FAILURE

Neatness and Legibility. — A neat, legible style of handwriting which can be executed at a fair rate of speed, and absolute legibility in figures, are necessities in the modern office. Do not allow yourself to do careless and slovenly work either in writing or in making figures.

Ruling should be done in red ink. The metal or thin edge of the ruler should be used to guide the pen, the ruler being placed with the beveled side on the paper and the metal edge up and farthest from you. This will prevent the ink from collecting on the ruler and dropping on the paper. It will also enable you to draw double lines without moving the ruler for the second line, by holding the pen at a slightly different angle.

The ruled lines should be of uniform thickness, neither too heavy nor too light. Many bookkeepers make them about as heavy as the vertical red lines in the blank books; but it is perhaps better to make them about twice as heavy as those lines. In double ruling, the two lines should be reasonably close together, but not so close as to look like one heavy line.

Ruling should be done very neatly and carefully. When so done it will greatly enhance the appearance of a set of books. On the other hand, the appearance of an otherwise neat set of books may be ruined by careless and slovenly ruling.

Details. — Inability to estimate the importance of a thorough mastery of details is the cause of more failures in life than all other causes combined. Learn to pay attention to the little things. Follow your instructions implicitly; do not be content with doing a thing nearly right, but do it exactly right. Remember, "Perfection is made up of trifles, but perfection itself is no trifle." The successful business man must master multitudinous detail.

From: *Modern Illustrative Bookkeeping*, by E. Virgil Neal and C.T. Cragin, 1918; Submitted by Jeanette M. Sanfilippo..

CALL FOR PAPERS — TAX HISTORY

The Academy is tentatively planning a tax history seminar to be held in Oxford, Mississippi, in November, 1988. The meeting is to celebrate the opening of the Tax History Research Center at The University of Mississippi and the 75th anniversary of the 16th amendment to the U. S. Constitution.

Individuals interested in presenting a paper should send either a copy of the paper, an abstract, or an expression of interest to:

Dr. Dale or Tonya Flesher
School of Accountancy
University of Mississippi
University, MS 38677

Papers may cover any area of tax history including federal, state, local, or international taxation. Any methodology will be considered.